



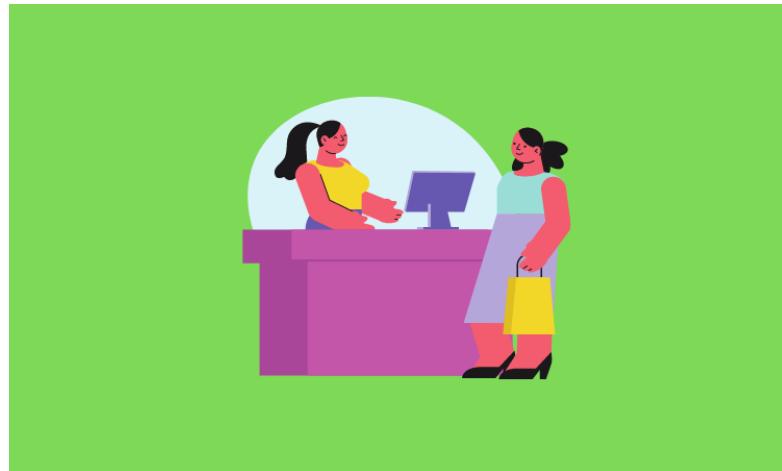
MEMBER EXCLUSIVE

How rooting its customer experience in hotels and airfare enables Sunbit to make an impact

Sunbit is a buy now, pay later solution that's making a name for itself in the service industry market.

Sunbit's customer experience mantra centers on flexibility, making it easy and doing it with a smile.

SHEHZIL ZAHID | SEPTEMBER 07, 2021



Big things have been happening in the buy now, pay later sector as providers seek to dominate payments and more. Apple is reported to launch its own installment program called Apple Pay Later, Square recently announced its plans to buy Afterpay, and last week, Amazon announced a partnership with Affirm to offer installment payments on purchases over \$50.

The strategy is simple. BNPL market penetration in the U.S. remains relatively low and providers are doing whatever they can to expand their reach and for good reason. BNPL providers like Affirm and Afterpay have the stature and brand recognition to attract big names in retail and make key partnerships to expand their presence. That forces smaller competitors to improvise.

Sunbit is one such provider. The BNPL has thrived on a strategy to penetrate the service industry market by focusing on small or medium-sized merchants with a local presence. Sunbit can be found in one in four auto dealership service centers, in addition to optical practices, dentist offices, and specialty healthcare services. While its 7,400 merchants pale in comparison to Afterpay's approximate 100,000, Sunbit is no slouch. In its latest funding round, the BNPL raised \$130 million, launching its valuation to \$1.1 billion.

But Sunbit isn't looking to rest on its laurels. Its chief customer officer Bill Walsh says the next step is to bolster the customer experience journey to woo prospective customers and grow its merchant base. To do that, he's leaning heavily on philosophies rendered from the hospitality industry.

Why hospitality? The industry has really elevated the customer experience journey from the moment of contact to post-service care.

"Some of the best brands in travel and hospitality have taken something which could be not exciting, could just be a commodity, could be even painful in some circumstances and turn it into a wow experience that is really joyful for people and that really is the centerpiece of their brand," says Walsh. "When's the last time that you've experienced that with your bank or a company...in financial services?"

Walsh boils down Sunbit's customer experience philosophy to three themes.

Be flexible

"Flexibility is one of the main reasons why a customer is interested in a payment plan to begin with," says Walsh.

But bringing in end-user customers and retaining them is bigger than plain flexibility — it's about making the impossible happen. Walsh points to the Ritz Carlton Hotel and its concierge service that anticipates customer needs and goes above and beyond to create meaningful experiences for customers, like building walkways down to the beach for a wheelchair-bound customer.

Walsh says Sunbit translates that philosophy into a 90% approval rating for customers compared to traditional financing, with an average approval time of 30 seconds for transactions ranging between \$60 and \$10,000.

Make it easy

"It's [about] lowering the barriers between what you as a customer want and getting that service," says Walsh. He cites Richard Branson's Virgin Hotels chain and how it consolidates hotel services typically offered across different numbers and lines, from concierge to room service to housekeeping, into one exclamatory YES button.

"It really embodied so many great principles," says Walsh. "It's easy...it's a simple and direct way to provide service and it's demonstrating...a make-it-happen attitude [that] if you call us, we will work hard to deliver what you need."

Walsh says 'making it easy' is 'distinctively' valuable for Sunbit customers, by giving them a service and plan that's straightforward and transparent — without hidden fees and gotcha clauses — and one phone number to call if customers need help.

Do it with a smile

Being friendly may seem obvious in creating meaningful customer experiences but when options in an industry like air travel are limited, companies can become complacent. Walsh looks to Southwest Airlines as a brand that's managed to stave off complacency as far as customer experience goes. Travel agents report that customers prefer to fly Southwest, even though it doesn't compete on travel websites like Expedia or Orbit with discount rates, and they attribute it to the brand's friendly, fix-it attitude.

Walsh is thinking about the whole customer journey, from point of purchase all the way beyond. In doing so, Sunbit strives to create a company culture that's friendly and inviting — that solves a problem rather than executes a stubborn policy, something often lacking in financial services.

"The way that hardship cases are approached are specific to the facts of the case," says Walsh. "[From] flexibility in terms of amount...timing...payment method, we really are focused on finding a way to say yes and to empower the team to make it happen for the customer."

The proof is in the pudding. In a 2020 customer survey of more than 1,000 respondents, more than 50% said Sunbit was for everyone and trustworthy and they would have skipped the purchase if not for the BNPL. Moreover, more than 75% of respondents were highly likely to use the service again while over 90% said were 'satisfied' or 'very satisfied' (highest rating) with Sunbit.

In an industry with heavy-hitters targeting high-end items and partnerships, Sunbit's emphasis on flexibility, simplification and hospitality in the customer journey is a differentiator that can help drive the success of its business.

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